
HAMILTON CLARK

Financing Special Situations

Strategies for EnergyTech Companies

NREL Industrial Growth Forum

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HamiltonClark is a member of the NASD and SIPC

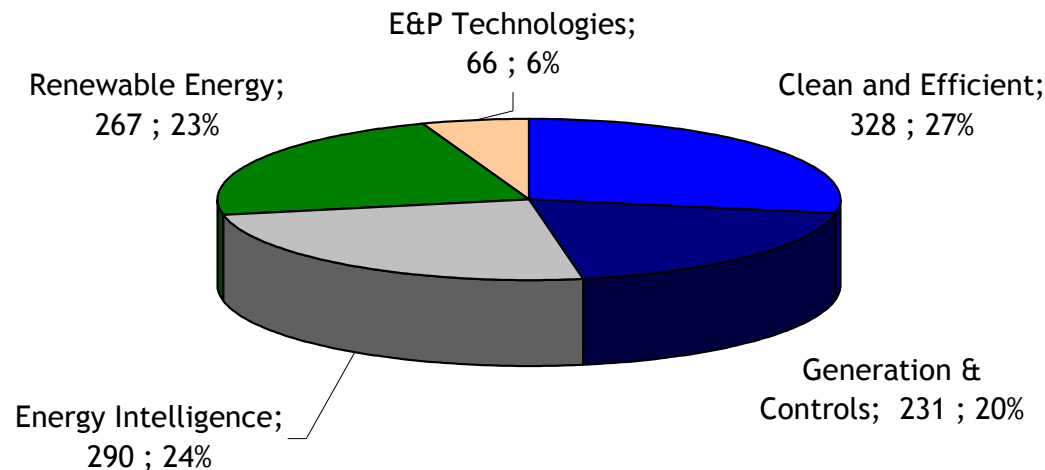
HamiltonClark

- ♦ Merchant Bank for energy technology companies. Member NASD
- ♦ Focus on energy technologies
- ♦ Financial Advisor for US companies on AiM
- ♦ Current/recent engagements:

Private Equity	M&A	Financial Advisory
Deep repository for spent nuclear fuel (C\$25 million)	Hydrostatically driven forestry products	Oil and gas pipeline leak detection
Independent suspensions – mobility systems (€11 million)	Outsourced services for oil and gas	
	Continuously variable transmission technology	

HamiltonClark EnergyTech Database™

- ♦ Approximately 1,200 energy technology companies in North America and Europe
- ♦ About 900 seeking about \$7 billion



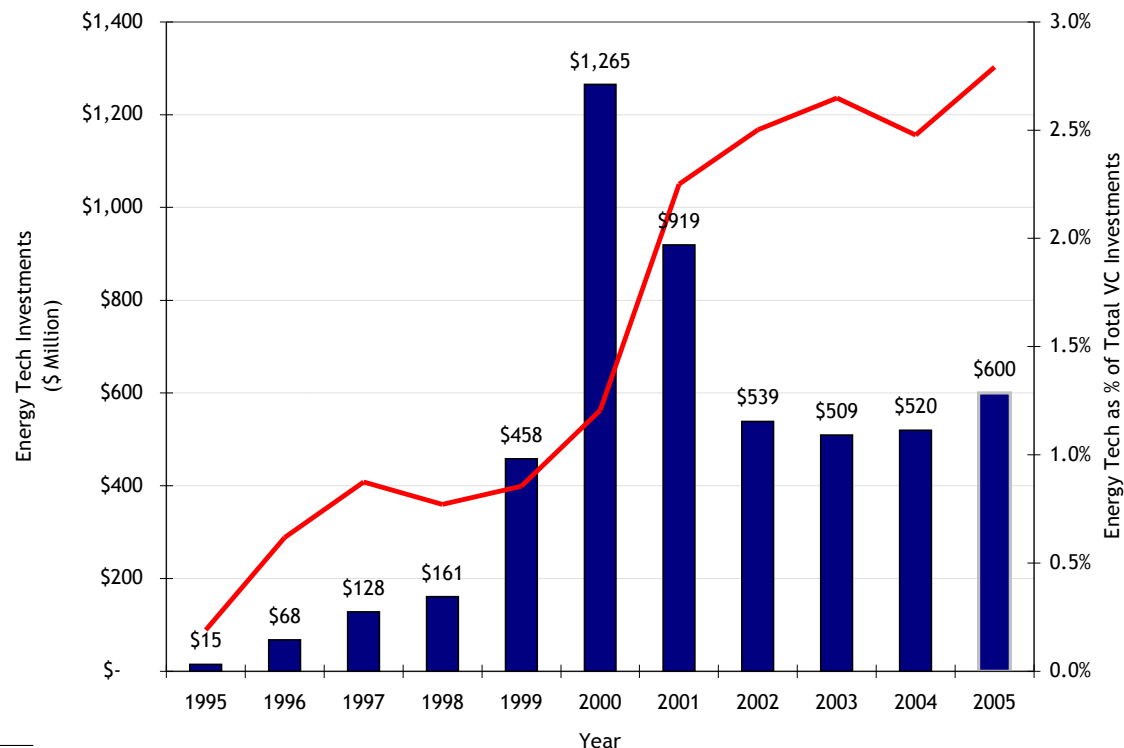
HamiltonClark EnergyTech Database™

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Energy Technology Capital

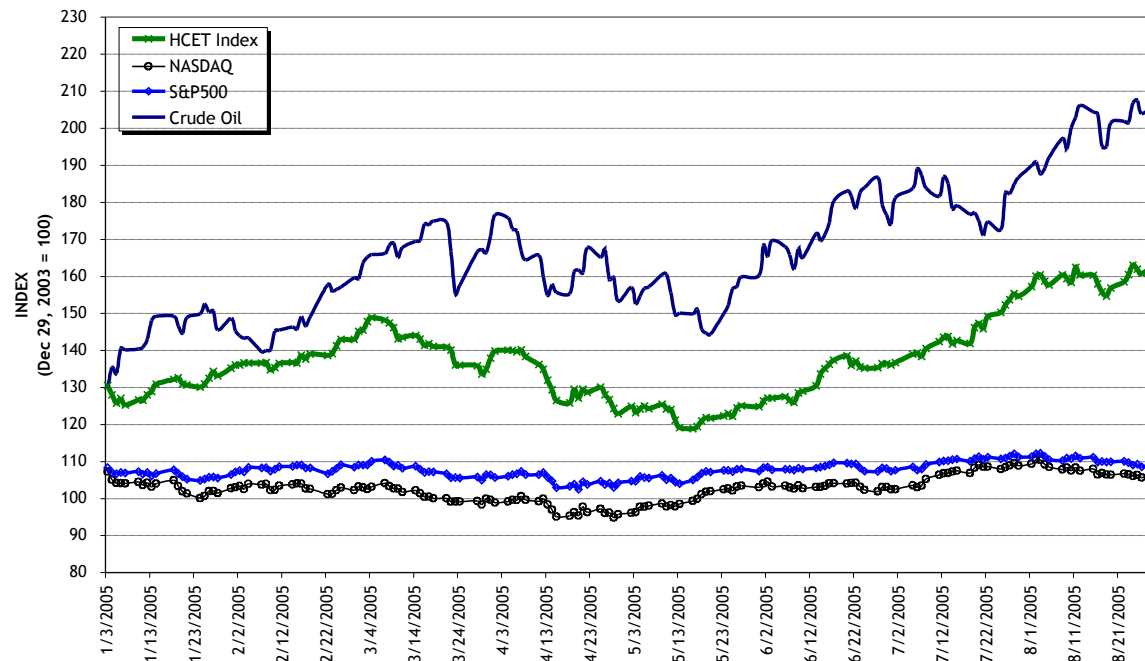
- ♦ Approximately 100 serious private equity and strategic investors in the sector
- ♦ We estimate that about \$750 million will be invested in the sector in 2006



HamiltonClark EnergyTech Index™

- ♦ 69 companies in the Index
- ♦ Eight month 2005 performance up 30%
- ♦ Since inception in January 2004, up 69%

HAMILTONCLARK ENERGYTECH INDEX™
(As of Aug 30, 2005)



Investors Look for Value Propositions

- ♦ Clear advantage for customers
- ♦ Who are you selling to: utility, distributor, end customer
- ♦ What is the beachhead market
- ♦ Path to lower cost through design change, volume
- ♦ Company versus technology versus project
- ♦ Management, management, management

Financing Strategies

- ♦ Private equity
- ♦ Strategic investor
- ♦ Hedge fund
- ♦ London AiM financing

Private Equity

- ♦ SEC exemption under Regulation D, Section 4(2)
- ♦ Private Placement Memorandum
- ♦ Financial Projections
- ♦ Investor Presentation
- ♦ Use of a Placement Agent

Strategic Investor

- ♦ SEC exemption under Regulation D, Section 4(2)
- ♦ Private Placement Memorandum
- ♦ Financial Projections
- ♦ Investor Presentation
- ♦ Commercial Agreement
- ♦ Possibility of an acquisition instead of an investment
- ♦ Use of a Placement Agent

Hedge Fund

- ♦ Suited to larger investments for mature companies
- ♦ Used to seeing PIPE transactions from public companies
- ♦ Seeking companies that are soon to be public
- ♦ SEC exemption under Regulation D, Section 4(2)
- ♦ Private Placement Memorandum
- ♦ Projections
- ♦ Financing Presentation
- ♦ Use of a Placement Agent

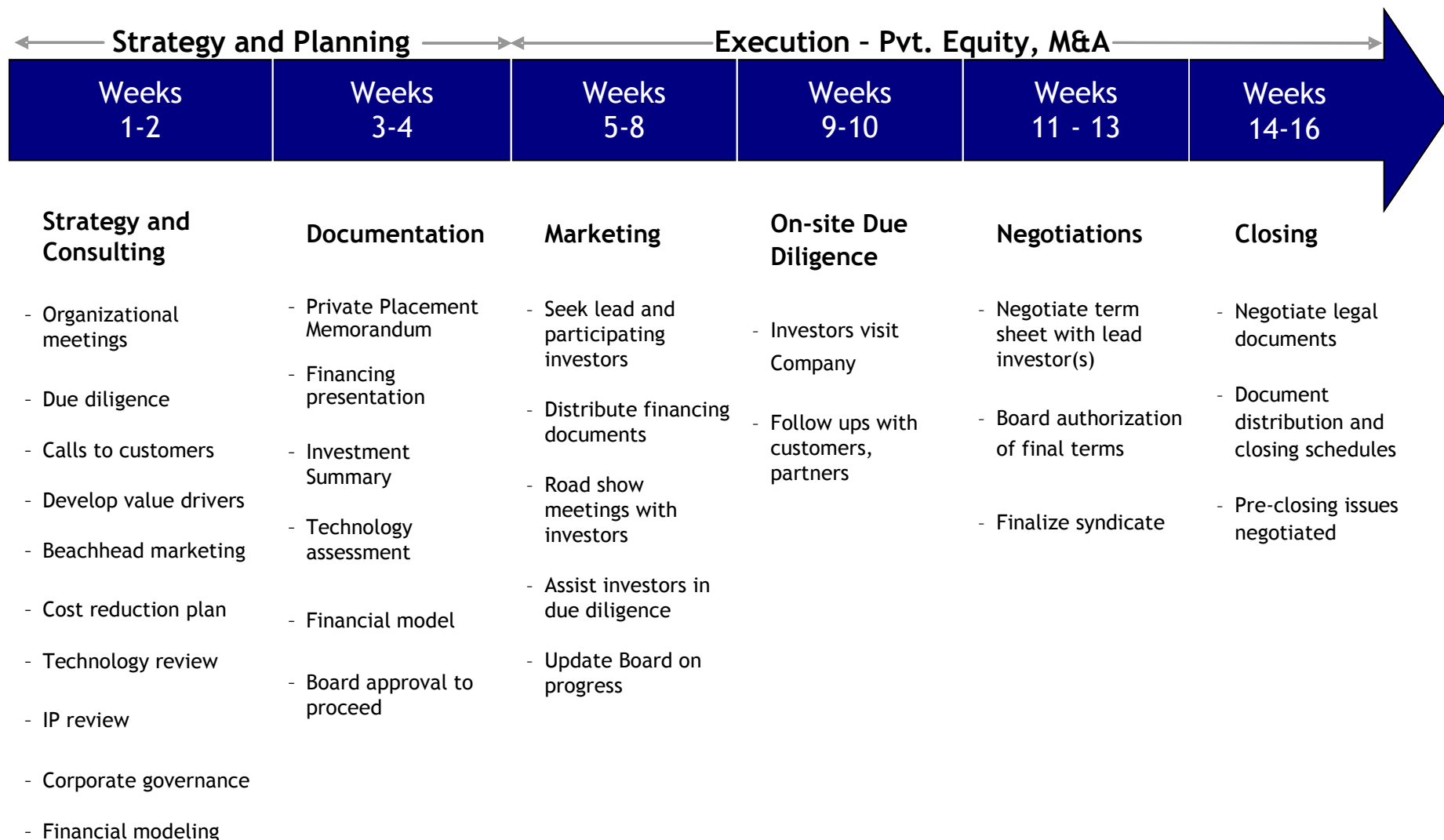
AiM Financing

- ♦ Alternative Investment Market of London Stock Exchange
- ♦ 35 energy tech companies listed
- ♦ £450 million raised, £1.5 billion market cap
- ♦ Biofuels Corp.: £48 million financing, £63 million market cap
- ♦ D1 Oils: £13 million financing, £90 million market cap
- ♦ Clipper: £75 million financing, £186 million market cap
- ♦ Financing structures similar to project finance

AiM Financing Process

- ♦ Financial advisor retained to assist US company understand timing, costs, procedures and advise Board
- ♦ Financing Presentation and projections
- ♦ Interview Nominated Advisors/Brokers in London
- ♦ Interview Lawyers, Accountants, IR/PR firms in London
- ♦ Choose Nomad/Broker
- ♦ Seek Letter of Intent for Broker with proposed pre-money valuation, time and responsibility schedule
- ♦ Usually takes four months from date of Broker selection

Time and Responsibility Schedule



Conclusion

- ♦ Financing markets are difficult due to number of companies and limited capital for the sector
- ♦ More mature companies are looking at options other than traditional Venture Capital
- ♦ Strategic Investor market often leads to early M&A deal
- ♦ Institutional investors interested in capital gains
- ♦ Value of a Placement Agent

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